Financial package for revamping co-operative credit structure

87. SHRIMATI AMBIKA SONI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether only the State which modernize and align their State co-operatives legislation with the new Multi-State Co-operative Scocieties Act passed recently by the Parliament will be extended the financial package outlined by the Finance Ministry for revamping of the co-operative credit structure;

(b) if so, the number of States which have taken action on this Act;

(c) the number of States which have been provided financial assistance as required under this law; and

(d) by when all the State Governments are considering to adopt the legislation in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GAGARAM GEETE) : (a) Union Government have made a provision of Rs. 100 crore in the Budget 2002-2003 for providing revitalization assistance to co-operative credit institutions. The Joint Committee, which looked into the funding mechanism, has laid down reform preconditions to be fulfilled by States and institutions for becoming eligible to receive revitalization assistance. These preconditions include—

- Adoption of essential features of Model Co-operative Act especially removal of duality of control and conduct of regular elections;
- Abolition of common cadre systems of Primary Agriculture Credit Society (PACS) Secretaries;
- Audit by Chartered Accountants;
- Transparent Human Resource Policies;
- Autonomy to Co-operative Credit Institutions.

(b) National Bank for Agriculture and Rural Development (NABARD) has reported that fivce States *viz.* Andhra Pradesh, Goa, Jammu & Kashmir, Madhya Pradesh and Delhi have either adopted or incorporated the essential features of the Model Co-operative Act.

(c) No State has been provided revitalisation assistance under the scheme so far.

(d) Seven more States are in the process of adopting the Model Societies Act. No time frame has been prescribed in this respect by the Union Government.